

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 295685

60

ORIGIN EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 L-03 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00

SIG-01 TRSE-00 /040 R

DRAFTED BY EB/OA/AVP:SCKEITER:JO

APPROVED BY EB/OA:MHSTYLES

EB/OA/AVP - AJWHITE

EB/AN - AJRIMAS

CAB/BE - JDEEGAN

CAB/BIA - AFISCH

ARA/ECP - DTAHER

L/EB - PMICKEY

ARA/CAR - FTUMMINIA

ARA/CAR - GPALAZZOLO '

ARA/CAR - JTHYDEN

----- 001477

R 040225Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY PORT OF SPAIN

INFO AMEMBASSY KINGSTON

AMEMBASSY BRIDGETOWN

AMEMBASSY LONDON

AMEMBASSY BONN

AMCONSUL CURACAO

AMEMBASSY THE HAGUE

LIMITED OFFICIAL USE STATE 295685

E.O. 11652: N/A

TAGS: EAIR, TD, ST, AC, NA, JM

SUBJECT: CIVAIR - PROMOTIONAL FARES IN CARIBBEAN

REF : (A) PORT OF SPAIN 3018; (B) PORT OF SPAIN 3137

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 295685

(BEING REPEATED AS NECESSARY)

1. CAB ORDER 76-11-57 (COPY BEING POUCHED EACH ADDRESSEE) IS ORDER TO WHICH PRESS REPORTS CITED REFTELS REFER. IT IS NOT REALLY A DECISION TO SUSPEND THE FARES IN QUESTION, BUT AN ORDER TO SHOW CAUSE WHY SUCH A DECISION SHOULD NOT BE REACHED, AND IS INTENDED SIMPLY TO MAKE THE FARES AN ACTIVE ISSUE, WITH THE ULTIMATE OBJECTIVE OF REACHING AGREEMENT AMONG THE GOVERNMENTS CONCERNED ON WHAT TO DO WITH THEM.

2. IT IS THE BOARD'S BELIEF THAT THESE PROMOTIONAL FARES REPRESENT AN EFFORT BY THE GOVERNMENTS INVOLVED TO COMPETE FOR TOURISTS. THEY DO NOT, IT IS THOUGHT, INCREASE THE TOURIST FLOW TO THE AREA BUT MERELY REARRANGE IT. THE REARRANGEMENT IS TEMPORARY; THE GOVERNMENT MOST ADVERSELY AFFECTED ORDERS A MORE COMPETITIVE FARE. THUS THE END RESULT IS TO REDUCE THE AIRLINES' REVENUES TO, OR BELOW, THE POINT OF UNPROFITABILITY, WITHOUT REALLY HELPING THE TOURIST TRADE.

3. IT IS HOPED THAT AFTER THE PRESENTATION OF WRITTEN ARGUMENTS (DUE IN 60 DAYS), AND COUNTERARGUMENTS (DUE 30 DAYS THEREAFTER) THIS WILL BECOME CLEAR TO ALL CONCERNED, AND GENERAL AGREEMENT WILL BE ATTAINABLE ON THE MOST DESIRABLE WAY TO DEAL WITH THE PROBLEM.

4. USG INTENDS TO ACT IN FULL ACCORD WITH PROVISIONS OF PERTINENT BILATERALS IN DEALING WITH THIS MATTER.

5. DESPITE NOTICES OF DISSATISFACTION REFERRED TO IN PARA 3, REF (A), BOARD ALLOWED THOSE FARES TO GO INTO EFFECT. IT FELT THAT IT WOULD BE UNFAIR TO PREVENT BARBADOS AND ST. LUCIA FROM RESPONDING TO FARES ALREADY IN EFFECT TO OTHER CARIBBEAN DESTINATIONS, AND THAT THE QUESTION OF PROMOTIONAL FARES TO THE CARIBBEAN WOULD BEST BE TREATED AS A WHOLE. THUS THE ORDER RELATES ENTIRELY TO FARES PRESENTLY BEING CHARGED.

6. WITH REGARD SPECIFIC QUESTIONS RAISED AT END REF (A):

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 295685

A. ROUTES IN QUESTION ARE THOSE BETWEEN U.S. AND VARIOUS CARIBBEAN DESTINATIONS, SPECIFICALLY JAMAICA, TRINIDAD AND TOBAGO, ANTIGUA, ST. LUCIA, BARBADOS, AND NETHERLANDS ANTILLES (ARUBA AND ST. MARTIN).

B. AS QUASI-JUDICIAL AGENCY, CAB ISSUES ITS DECISIONS PUBLICLY. NO ONE WAS INFORMED IN ADVANCE. DESIGNATED WASHINGTON AGENTS FOR ALL PARTIES WERE SERVED A COPY OF

THE ORDER.

C. ORDER WAS AVAILABLE TO ANYONE INTERESTED FROM TIME OF ISSUANCE. SINCE PRESS TENDS TO KEEP ITSELF INFORMED OF ORDERS AS THEY ARE ISSUED, IT MAY HAVE BEEN AWARE OF IT, THOUGH NOT FORMALLY SERVED, EVEN BEFORE BWIA'S AGENT WAS.

7. GOTT EMBASSY HAS BEEN IN TOUCH WITH BOTH CAB AND DEPT ON THIS MATTER. INTER ALIA, DEPT MADE POINTS IN PARAS 1-3 ABOVE.

8. FOR BONN: LUFTHANSA FLIES WEEKLY BETWEEN NEW YORK AND JAMAICA AND SO WAS ONE OF THE AIRLINES AFFECTED. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOURISM, AIR FARES, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE295685
Document Source: CORE
Document Unique ID: 00
Drafter: SCKEITER:JO
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760449-1095
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761271/aaaacjqs.tel
Line Count: 130
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 PORT OF SPAIN 3018, 76 PORT OF SPAIN 3137
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 28 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 APR 2004 by MartinML>; APPROVED <19 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - PROMOTIONAL FARES IN CARIBBEAN
TAGS: EAIR, TD, ST, AC, NA, JM
To: PORT OF SPAIN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006